

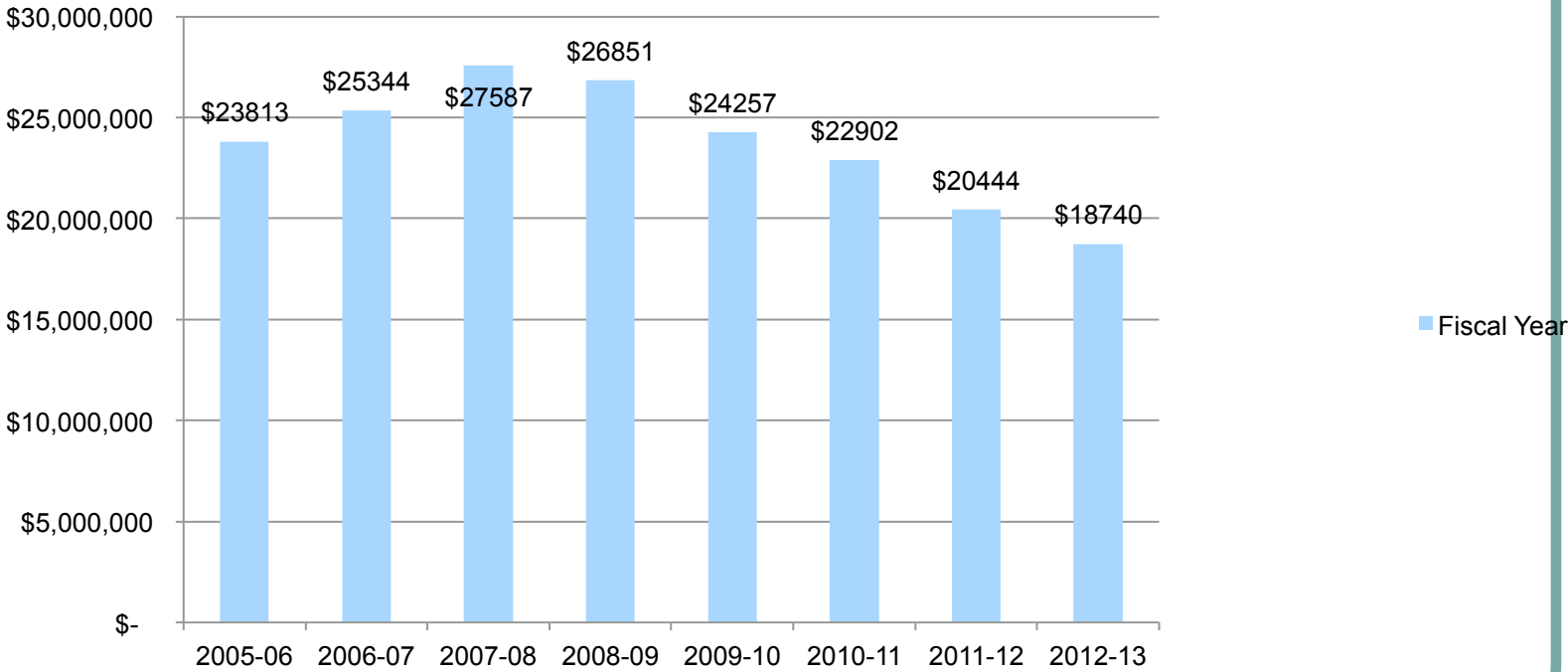
Valley View Schools District 365U

The 2012 Tax Levy

Where do we get our funding?

- Local resources - \$176.2 million (70%) mainly comprised of property taxes and user fees
- State funding - \$36.3 million (25%)
 - Excludes on-behalf payment of \$27.5m
- Federal dollars estimated at \$13.6 million (5%)

Loss Of General State Aid



Fund Balance Summary for FY13

	<u>Beginning Fund Balance</u>	<u>Education</u>	<u>Operations & Maint</u>	<u>Transportation</u>	<u>IMRF/FICA</u>	<u>Tort</u>	<u>Working Cash</u>	<u>Total</u>	
1	**As of June 30, 2012	\$ 41,497,096	\$ 13,364,731	\$ 2,147,455	\$ 2,276,667	\$ 9,542	\$ 30,629,657	\$ 89,925,148	1
2	Revenues:	\$ 165,930,721	\$ 16,285,951	\$ 11,189,024	\$ 7,758,090	\$ 3,020,185	\$ 137,600	\$ 204,321,571	2
3	Expenses:	\$ 176,876,105	\$ 17,722,451	\$ 11,549,836	\$ 8,081,579	\$ 3,044,700	\$ 13,593,000	\$ 230,867,671	3
	Note: excludes TRS On Behalf of \$27.5m								
4	Estimated Ending Balance:	\$ 30,551,712	\$ 11,928,231	\$ 1,786,643	\$ 1,953,178	\$ (14,973)	\$ 17,174,257	\$ 63,379,048	4
5	Difference	\$ (10,945,384)	\$ (1,436,500)	\$ (360,812)	\$ (323,489)	\$ (24,515)	\$ (13,455,400)	\$ (26,546,100)	5
	% change in fund balance	-26.38%	-10.75%	-16.80%	-14.21%	-256.92%	-43.93%	-29.52%	
6	# Days cash on hand 6/30/13 Fund balance divided by (expenses/365)	63	246	56	88	(2)		100	6
7	FY12 State Vouchered but not yet Paid	\$ 2,599,718		\$ 1,750,831				\$ 4,350,549	7
8	Est. Ending Fund Balance if State pays FY13 100% of MCATS	\$ 33,151,430	\$ 11,928,231	\$ 3,537,474	\$ 1,953,178	\$ (14,973)	\$ 17,174,257	\$ 67,729,597	8
	% change in fund balance	-33.02%	-12.04%	-10.20%	-16.56%	163.73%	-78.35%	-39.19%	
9	# Days cash on hand 6/30/13 Fund balance divided by (expenses/365)	68	246	112	88	(2)		107	9

** Unaudited

The Levy Process

- Determine the estimated tax levy no less than 20 days prior to the adoption of such levy and present to Finance Committee and full Board in November
- If the Board intends to adopt an aggregate levy that is more than 105% of the prior year must prepare publication and conduct public hearing
- Must adopt and file with County Clerk by last Tuesday in December

Terms and Definitions

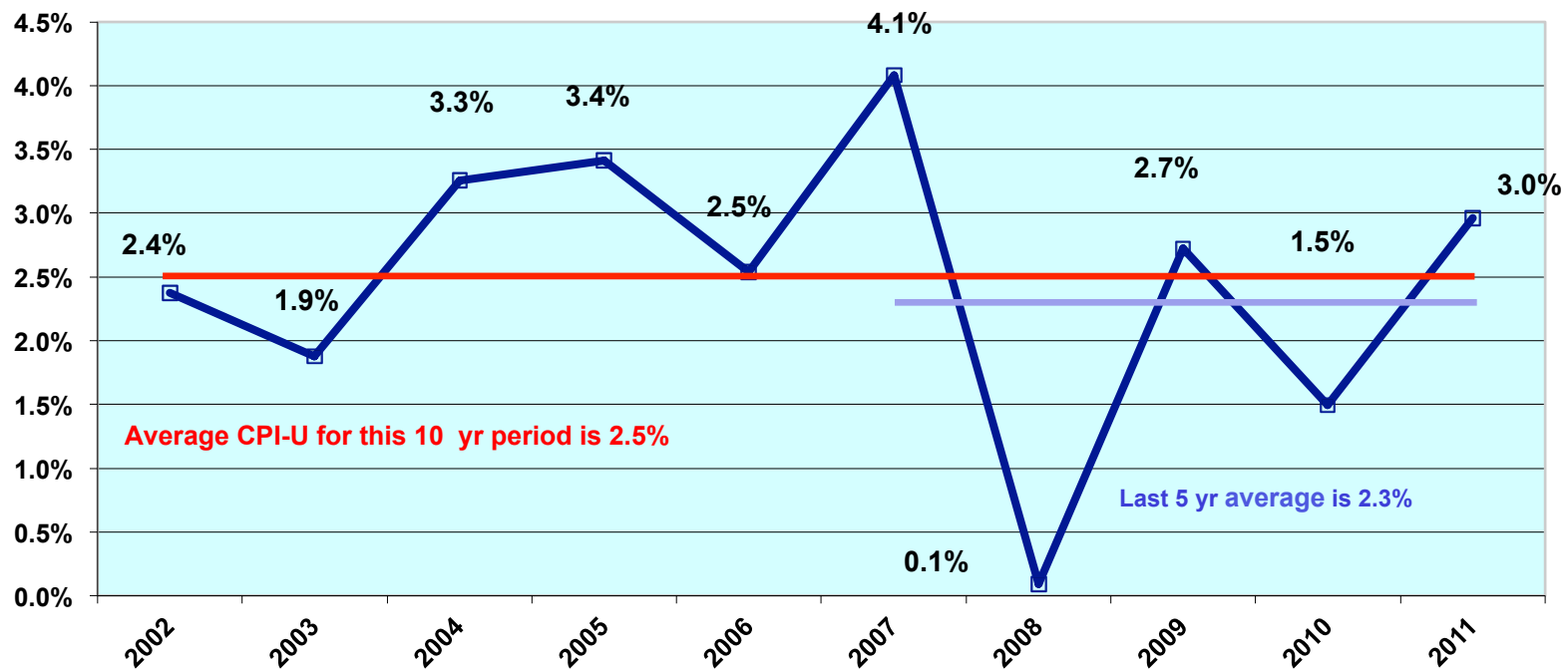
Equalized Assessed Valuation (EAV)	The total taxable value of property within the District
Levy	The amount of dollars requested by the District, typically know as a “balloon levy”
Extension	The taxes billed
PTELL	The Property Tax Extension Limitation Law or "Tax Cap". All property taxes are subject to the Tax Cap, except for Bonds.
Rate Limit	The limit expressed as the percentage of extension to EAV for a particular fund
Limiting Rate	The limit expressed as the percentage of extension to EAV for all subject to the Tax Cap
CPI	The change in the consumers price index over the previous year, expressed as a percentage
Aggregate Extension	The taxes subject to limitation by the Tax Cap

The Property Tax Levy

- Learning to live with PTELL (Property Tax Extension Limitation Law) since 1991
- Limits the increase in aggregate tax extension to the lesser of 5% or the 12-month rate of inflation as measured by the All Urban Consumer Price Index (CPI) published by the US Dept. of Labor, exclusive of debt service

Consumer Price Index history

Percent of Change in December CPI-U
for the Last 10 Years



Equalized Assessed Valuation (EAV)

- Total EAV is a moving target
- Commercial and Industrial classifications can get a Board of Review change to reduce their EAV, which in turn gets “added” to other taxpayers bills. Same is true for exemptions
- Residential appeals which are granted negatively impact tax bills of all other taxpayers

VALLEY VIEW EAV HISTORY

<u>Levy Year</u>	<u>EAV</u>	<u>\$ GROWTH</u>	<u>% CHANGE</u>	
2002	\$1,526,234,016	157,335,028	11.49%	<u>10 Year Avg.</u>
2003	\$1,807,741,992	281,507,976	18.44%	6.51%
2004	\$1,984,214,191	176,472,199	9.76%	
2005	\$2,225,076,328	240,862,137	12.14%	
2006	\$2,492,673,282	267,596,954	12.03%	
2007	\$2,699,436,253	206,762,971	8.29%	<u>5 Year Avg.</u>
2008	\$2,912,037,761	212,601,508	7.88%	0.24%
2009	\$2,832,739,807	(79,297,954)	-2.94%	
2010	\$2,727,656,205	(105,083,602)	-3.61%	
2011	\$2,488,681,437	(238,974,768)	-8.44%	
2012**	\$2,298,670,837	(190,010,600)	-6.97%	

Notes

**Estimated

As of 10-16-12 per County Assessor's Office

Includes estimated reduction of \$241M in exemptions

Levy and New Property

- New properties are **ADDED** to the EAV and thus add to the levy
- New properties are collected beyond the capped levy amount
- If you do not capture all of the new EAV the first year it comes on the tax rolls, you can never capture it again in the future as new property

VALLEY VIEW PROPERTY DATA

Taxable Property Values

- 80% - DuPage Township
- 20% - Lockport Township

Equalized Assessed Valuation by Property Class

- 61.1% - Residential
- 23.8% - Industrial
- 15.1% - Commercial

Debt Service

- The Debt Service portion of the tax levy has been predetermined by prior action when bonds are either sold or refinanced. The schedule is set at that time, and no further action is really necessary. The county clerk will extend taxes for debt service based upon resolutions filed when bonds for each year such a levy is required.

Debt refinanced to lower payments

<u>Levy Year</u>	<u>Debt Before</u>	<u>Debt After</u>	<u>\$ Difference</u>	<u>Percent Change</u>
2010	\$ 22,382,388	\$ 17,582,472	\$ 4,799,916	
2011	\$ 24,549,419	\$ 21,233,981	\$ 3,315,438	-15.6%
2012	\$ 26,123,763	\$ 22,795,550	\$ 3,328,213	-14.6%
2013	\$ 27,595,013	\$ 24,353,300	\$ 3,241,713	-13.3%
2014	\$ 29,145,100	\$ 25,916,488	\$ 3,228,612	-12.5%
2015	\$ 28,215,625	\$ 27,510,513	\$ 705,112	-2.6%

COMPARISON OF 2011 EXTENSION TO 2012 TAX LEVY REQUEST

FUND	2011 EXTENSION	2012 LEVY	% INCREASE (DECREASE)
EDUCATION	\$ 99,547,257	92,211,608	-7.37%
OPERATIONS & MAINTENANCE	\$ 13,797,250	14,667,898	6.31%
TRANSPORTATION	\$ 2,680,310	3,226,280	20.37%
SPECIAL EDUCATION	\$ 3,379,629	12,985,300	284.22%
TORT/ LIABILITY INSURANCE	\$ 2,326,917	2,490,624	7.04%
IL. MUNICIPAL RETIREMENT	\$ 1,938,683	2,075,072	7.04%
SOCIAL SECURITY	\$ 1,938,683	2,075,072	7.04%
FIRE PREV/SAFETY	\$ -	22,770	0.00%
WORKING CASH	\$ 52,262	56,097	7.34%
LEASING	<u>\$ 89,593</u>	568,830	<u>534.90%</u>
TOTAL LEVY (LESS: Debt Svc)	<u>\$ 125,750,584</u>	<u>\$ 130,379,550</u>	<u>3.68%</u>
DEBT SERVICE	\$ 21,235,919	\$ 22,795,550	7.34%
TOTAL LEVY	<u><u>\$ 146,986,503</u></u>	<u><u>\$ 153,175,100</u></u>	<u><u>4.21%</u></u>

2012 TAX LEVY WORKSHEET

ESTIMATED LEVY YEAR EAV	\$2,298,167,837	PR YR EXTENSION	\$146,986,503	
PRIOR YEAR EAV	\$2,488,681,437	LESS: Debt Service	<u>21,235,919</u>	
TOTAL GROWTH	(\$190,513,600)		<u>\$125,750,584</u>	\$ 132,036,856
CHANGE IN CPI	3.0%			
PERCENTAGE EAV GROWTH	-7.655%			
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% OF EAV GROWTH DUE TO NEW PROPERTY	\$7,000,000	PR YR TAX RATE	\$5.9062	
		LESS: Debt Service	<u>0.8533</u>	
			<u>\$5.0529</u>	

STEP 1: TAX RATES

	<u>REQUIRED RATE</u>	<u>LEVY</u>	<u>RATE LIMIT</u>
ED FUND	4.0124	92,211,608	\$ 4.00
O&M FUND	0.6382	14,667,898	\$ 0.75
TRANS FUND	0.1404	3,226,280	none
IMR FUND	0.0903	2,075,072	none
TORT FUND	0.1084	2,490,624	none
SPEC ED FUND	0.5650	12,985,300	\$ 0.80
LIFE SAFETY FUND	0.0010	22,770	\$ 0.10
SOC SECURITY FUND	0.0903	2,075,072	none
WORKING CASH	0.0024	56,097	\$ 0.05
LEASING	0.0248	568,830	\$ 0.10
STEP 2: SUM OF RATES	<u>\$5.6732</u>	<u>\$130,379,550</u>	3.68%

STEP 3: NUMERATOR 129,523,102 (EXTENSION LESS Debt Svc * CPI)

STEP 4: DENOMINATOR 2,291,167,837 (EAV LESS NEW PROPERTY)

STEP 5: LIMITING RATE **\$5.6531** (STEP 3 / STEP 4)

2012 TAX LEVY WORKSHEET

STEP 6: IS DISTRICT AFFECTED?

YES

STEP 7: FACTOR TO
REDUCE RATES

0.9965 ****Most likely to receive this percentage of levy request****

STEP 8: RATE + (-)

(\$0.0201)

STEP 9: PROJECTED FUND RATES

	<u>PROJECTED RATE</u>	<u>PROJECTED REDUCTION</u>	<u>PROJECTED EXTENSION</u>	
EDUCATION	\$3.9982	0.0142	\$91,884,994	
OPERATIONS/MAINT.	\$0.6360	0.0023	\$14,615,944	
TRANSPORTATION	\$0.1399	0.0005	\$3,214,853	
MUNICIPAL RETIREMENT	\$0.0900	0.0003	\$2,067,722	
TORT/LIABILITY INSUR.	\$0.1080	0.0004	\$2,481,802	
SPECIAL EDUCATION	\$0.5630	0.0020	\$12,939,306	
LIFE SAFETY	\$0.0010	0.0000	\$22,689	
SOCIAL SECURITY	\$0.0900	0.0003	\$2,067,722	
WORKING CASH	\$0.0024	0.0000	\$55,898	
LEASING	\$0.0247	0.0001	\$566,815	
TOTALS (LESS Debt Service):	<u>\$5.6531</u>	<u>\$0.0201</u>	<u>\$129,917,745</u>	
DEBT SERVICE	\$0.9919	N/A	22,795,550	Prior Yr Debt Svc \$ 21,235,919
TOTALS: (Estimated)	<u>\$6.6450</u>	<u>\$0.0201</u>	<u>\$152,713,295</u>	3.90%